The 2026 Scottish Election

Housing Evidence Priorities for a New Government

Professor Kenneth Gibb and
Dr Gareth James

UK Collaborative Centre for
Housing Evidence

University of Glasgow

December 2025

UKRI Economic and Social Research Council

UKRI Arts and Humanities Research Council

UK COLLABORATIVE CENTRE FOR HOUSING EVIDENCE

Executive Summary

Scotland approaches the 2026 election amid a formally declared national housing emergency. This report reviews developments since the last election in 2021, drawing on our own research and interviews with housing sector leaders and politicians, and sets out evidenced priorities for the next Scottish Government.

Despite strong strategic ambitions in Housing to 2040, progress has stalled, particularly across affordable supply and homelessness, with challenges also in planning, land reform and governance.

The evidence points to a need for both short-run action (particularly to address homelessness non-compliance) and sustained long-term, systemic reform.

The report sets out four priority areas for the next government to consider: 1) resetting affordable and social supply; 2) governance and structural reform; 3) planning, land and infrastructure; and 4) homelessness prevention and housing support.

Achieving a well-functioning housing system will require political will, renewed capacity, cross-sector coordination, and consistent application of robust evidence.

Key takeaways

- Affordable and social housing supply has fallen far short of need, with structural and market weaknesses, budget cuts, and rising costs driving a widening gap, requiring major reform of the Affordable Housing Supply Programme (AHSP) and a long-term system reset.
- Governance and delivery structures are not fit for purpose: Housing to 2040 lacks a robust delivery plan; local authorities need greater capacity and autonomy; and Scotland must pursue overdue property tax reform to realign incentives and support housing outcomes.
- Planning, land and infrastructure barriers are now critical constraints, with under-resourced planning departments, slow NPF4 implementation, speculative land markets, and limited land assembly tools holding back delivery, thus necessitating new governance structures and delivery mechanisms (e.g. a national housing land agency and infrastructure-first investment).
- Homelessness pressures represent the sharpest expression of the housing emergency, requiring urgent action on prevention, improved temporary accommodation pathways, stronger housing support services, and new settled accommodation routes to protect Scotland's framework of legal rights.
- A system-wide, evidence-led approach is essential, embedding prevention, long-term thinking, and rigorous data capacity to steer the short-term emergency response while shifting Scotland towards a well-functioning housing system.

Contents

Introduction

In 2021, during the Covid-19 pandemic, the UK Collaborative Centre for Housing Evidence (CaCHE) produced an "evidence manifesto" for the incoming Scottish Government (Gibb and James, 2021). That report identified ten housing priorities for 2021-26 and positioned them in the context of the newly published Housing to 2040 strategy (further explored below in 2.3), while also taking the temperature of other sector-wide bodies and their housing manifestos for the election.

Five years on, and ahead of the 2026 Scottish Parliament election, we have revisited and updated this exercise. Our analysis is shaped by developments since 2021, both progress and otherwise, as well as by the challenges that now confront Scotland's housing system. It is also informed by the body of CaCHE research produced since 2021 across affordable housing supply, rent control, housing strategy, homelessness and housing support, and land and tax reform.

Unlike in 2021, this report also draws on a programme of structured interviews with housing sector leaders and politicians with housing expertise. These interviews provided a grounded picture of sector perceptions, priorities and frustrations, and helped us to identify some important cross-cutting issues as we approach the next Parliament.

The rest of this report is structured into four main sections (2-5), as follows:

- In section 2, we briefly outline a model of a well-functioning housing system and review progress and change over the last five years within the Scottish housing system, including the broad contextual drivers and inescapable future challenges and barriers.
- In section 3, we present insights from our interviews, summarising the core messages that emerged from our conversations with sector leaders and politicians.
- In section 4, we identify key housing priorities for the new Scottish Government, set out across four interconnected themes: resetting social and affordable housing supply; governance and structural reform; planning, land and infrastructure; and homelessness, prevention and housing support.
- In section 5, we conclude with some overarching insights and implications for housing policy and practice.

2. Housing in Scotland 2021-25

In this section, we start by exploring the broad housing system context (see Table 1) and take stock of policy developments, critical indicators and long-term trends in Scotland's housing system. We then present an assessment of progress since 2021.

2.1 A well-functioning housing system

Writing in a report for the Church of England and the Nationwide Foundation on a long-term approach to housing strategy, Marsh, Gibb and Earley (2024) tried to encapsulate the essential ingredients or expectations found within a well-functioning housing system. Housing to 2040 did talk about a well-functioning whole system for housing in Scotland but did not define it or characterise its essential components.

The point being made by Marsh and colleagues is that different elements work towards and reinforce improvements in the trajectory of the system as a whole. Moreover, we could measure performance towards improvement in the overall system by tracking appropriate indicators of each of these essential components. This can also act as an accountability device for the governance of the housing sector at different spatial scales (e.g. Scotland, functional housing market area, and local government).

Table 1: A well-functioning housing system

Homes	The housing market	The housing system
People live in homes of high minimum standards and provide stable adaptable, secure environments.	We build enough homes to meet existing need and new arising needs and demands, including sufficient accessible homes.	The different parts of the housing system work together rather than against each other.
Homes provide thermal warmth and energy efficiency.	Sufficient homes in places where people want to live, and communities have an influence on design and development.	Homelessness is rare, brief and non-recurring.
Homes are affordable in terms of cost to income and residual income.	There is sufficient good quality social housing which is a platform for lower income households to build their lives.	House prices and rents rise over time in a more stable or orderly fashion, close to or at the rate of general inflation.
Genuinely affordable choices for housing exist throughout the life course.	There is a thriving high-quality PRS which balances security and affordability with decent rates of return for landlords.	Housing contributes to and does not inhibit economic growth or performance, and housing policy is more integrated into levelling-up and spatial balance strategies, facilitating labour mobility.
Home ownership should be possible more widely but is not the only measure of success or quality.	Mortgage regulation is such that the home ownership sector is more accessible but still stable and financially sustainable.	Housing complements other vital social systems such as social care, healthcare, and social security.
Housing is regardless of tenure well designed, secure and affordable and residents feel they can exercise meaningful degrees of control.	Temporary accommodation is available to those who need it for short periods, and it does not disempower them.	Housing system structures and processes do not amplify social division e.g. discrimination, exclusion, and wealth inequalities.

Source: Reproduced from Marsh, Gibb and Earley (2024)

The model set out above also gives us a sense of the multidimensionality of a well-functioning housing system (see also O'Sullivan et al, 2004). The characteristics are split into three. First, there are system expectations about homes themselves – this is in part rights-based but also reflects the sense that decent homes, tenure neutrality, affordability across the life course, warmth and energy efficient, as well as housing standards and user control – are fundamental to a sense of a well-functioning system.

Second, the housing market should work well in terms of new supply systems balancing new demands and needs (housing requirements) but also in terms of design quality and resident community input. Social housing provides a platform for living for its residents and a balanced private rented sector works for those on the demand and supply side but also oils the way the system works as a whole. It also requires better, still regulated, access to home ownership and ensures that temporary accommodation is available for those who need it without disempowering such people.

Finally, there are system-level characteristics that indicate system improvement or system stalling. These include that the components of the systems work with each other in a complementary way and are not antagonistic to system outcomes. Homelessness is essentially rare, brief and non-recurring. Housing prices and rents move in a more stable way tending towards general changes in prices thus de-speculating housing market incentives and behaviour. The housing system should encourage and support economic growth and productivity and not disadvantage specific regions. It should also complement linked large systems such as health care, social care, pensions and social security. Finally, housing as a system should not amplify social division but promote social cohesion.

Taking on these principles, a test of new policies or proposals is the extent to which they align with and support these components or indicators of a well-functioning housing system. It is also a useful diagnostic tool to consider existing policies and practice.

2.2 Scotland's housing system

Scotland enters 2026 amid a formally declared national housing emergency, with multiple local authorities reporting severe pressures and growing challenges across the housing system. Recent policy responses, including the Scottish Government's housing emergency action plan, the Housing Bill (currently awaiting royal assent), and consultations on e.g. Council Tax reform, sit against a backdrop of shifting demographics, worsening affordability, uneven housing supply, and rising homelessness. The infographic below summarises the key trends shaping this landscape.

Infographic sources: various including, National Records for Scotland; Scottish Government, 2025; Marshall et. al., 2025; Scottish Empty Homes Partnership, 2024; other CaCHE research forthcoming.

SCOTLAND'S HOUSING SYSTEM:
KEY TRENDS AT A GLANCE

HOUSING EMERGENCY

The Scottish Government declared a national housing emergency in May 2024. 13 of 32 Scottish local housing authorities have declared housing emergencies. 11 councils have self-reported non-compliance with statutory homelessness duties. 3 councils have been found by the Scottish Housing Regulator to have a dysfunctional homelessness service provision.

DEMOGRAPHICS

Population > 5.5m, driven by net migration

Shrinking household size

Households +14% in 20 years, but uneven across Scotland

Fastest growth: East Lothian & Midlothian 25%+

Slowest growth: Dundee, West Dunbartonshire & Inverclyde 2-5%

Ageing households increasing need for adaptions / support

TENURE TRENDS

Tenure profile: 64% homeowners; 23% social rent; 14% private rent

More outright owners (35%) than mortgaged (30%)

All tenures face energy-efficiency costs; cladding remediation impacts remain uncertain, especially for multi-tenure flats

Rising costs, regulation and lower yields ⟶ reduced PRS capacity

New regulations (STL controls; 2022 rent freeze / caps) ⟶ Build-to-Rent withdrawal; PBSA expanding

AFFORDABILITY

Affordability pressures rising amid ongoing cost-of-living strains

Benefit cap plus frozen / low LHA deepen affordability problems

Social rents likely to rise about CPI as landlords face higher costs

Private rents: since 2010, real-terms increases in 4 BRMAs (incl. Glasgow & Edinburgh); 13 BRMAs saw real decreases

HOUSING SUPPLY

New-build supply still below pre-2008 levels; 2023-24 output lowest in 6 years (excepting Covid-19)

Private sector dominates, but successive AHSPs since 2013

Past targets (2011-16, 2016-21) were met, but the current 50,000-home programme will fall short of completions, starts, and approvals decline

HOMELESSNESS

Homelessness remains severe: c. 34,000 households assessed as homelessness in 2024-25

Temporary accommodation at record levels: 17,000+ households incl. 10,000 children (Mar 25)

Most eligible categories fell, except refugees with leave to remain (+15%)

Case duration worsening: average time from assessment to closure increased 257 ⟶ 280 days over 4 years

HOUSING STOCK

Pressure on housing supply is driving efforts to reuse existing stock: empty homes, second homes, short-term lets, and under-occupation

Short term lets: 27,000+ licences / exemptions (end 2024)

Under-occupation: no national data, Edinburgh research suggests 55,000+ homes under-occupied

Empty homes: 43,000+

Second homes: 21,400+ (2024)

2.3 Overall assessment of progress since 2021

The current Parliament began in 2021 amid Covid-19 and with a newly minted Housing to 2040 strategy, including a ten-year commitment across two terms to build 100,000 (later 110,000) social and affordable homes. At the same time, work began on private renting reform and homelessness prevention which coalesced into a slow-moving bill which now, at the time of writing, awaits royal assent after a lengthy legislative and consultative process, one that included the most amendments of any Scottish Bill since devolution. Progress along the Housing to 2040 path has been mixed and often uneven; and the worries we expressed in 2021, that there was insufficient monitoring, gateways and real time re-evaluation of priorities and interactions across themes and policy areas, seem to have been borne out (Gibb and James, 2021). The ambition and the vision are impressive and internationally distinctive but real progress has been limited, and the delivery gap often stark.

The private renting elements of the Housing Bill were dominated by rent control pledges that arose not from Housing to 2040 but from the SNP-Scottish Greens Bute House Agreement to govern jointly, which lasted until 2024. The key moment in the whole process of moving towards what became rent control areas was the unexpected decision in the autumn of 2022, in the depths of the cost-of-living crisis, to legislate a rent freeze (and later rent cap), initially for all renting but in time reserved for the private rented sector's existing tenants.

Perversely, this reduced mobility and increased rents in the new tenancies part of the PRS creating the highest rent increases in the UK in Glasgow and Edinburgh. It also led to the wholesale withdrawal of Build-to-Rent (BTR) institutional investment from Scotland. In turn, this created the effective investment lobby to encourage exemption for the BTR sector from the rent control provisions in the Bill. Another irony of the Bill is that the proposed rent control areas, after five years work, look remarkably like rent pressure zones 2.0, with more powers to restrain new tenancy rents in some cases, but also the same question marks over collecting the adequate data required to declare or seek a rent control area to be initiated.

No commentator would demur from the sense that the affordable supply programme has struggled in this parliament and is now well short of targets. This has been made difficult because of rising development and construction costs, labour shortages and other supply chain challenges, as well as decisions over grant levels and the decision to cut the grant deeply for two years before restoring annual programmes to their earlier level. In research for the Joseph Rowntree Foundation, we argued that the programme needed root and branch reform in the immediate term but also in a medium and longer time frame (Gibb, Young and Earley, 2024). Meanwhile the new affordable housing need estimates for Scotland suggests that need in the next Parliament will rise by 50% (Marshall et al, 2025).

3. Insights from stakeholder interviews

Over the summer we conducted several interviews with politicians and professional housing leaders. This included representatives from the Labour party and the Scottish Greens (we did seek to connect with all of the major political parties). From the housing sector, we spoke to relevant trade bodies, housing charities, local government and beyond (and we are grateful to everyone who gave up their time to talk to us). We asked everyone the same questions (see Appendix 1) which resulted in several specific, repeated points which formed five wider themes.

3.1 Five cross-cutting themes

First, there is near-unanimous agreement that new housing supply has stagnated or regressed across all tenures, with a particular shortfall in social and affordable homes. The gap between affordable supply and need has been further widened as demonstrated by the 2025 Scottish affordable need study for Shelter, SFHA and CIH which suggested that overall affordable need will increase by 50% in Scotland, and half of all need will be in east central Scotland. The reduction in affordable supply was attributed to grant programme cuts and insufficient levels of grant per unit, underinvestment, unrealistic targets, supply chain and development and other inflationary cost problems (also, see Gibb, Young and Earley, 2024). We note the Cabinet Secretary's recent announcement on the Housing Emergency Action Plan (September 2025) that pledged four years of a programme post-election if the government is returned. This announcement, albeit without detail of how spending would be allocated, implies higher levels of grant per unit. Interviewees made several proposals about supporting affordable supply which we return to in the next section.

Second, there was a clear call for bolder institutional change and strategic oversight (also see, the recent study for the David Hume Institute by Maclennan and Fleming, 2025; and, referring to England, Marsh, et al. 2025 and Marsh, Pawson and Gibb, 2025). Our interviewees' focus was on overcoming specific problems identified currently. These included a perception of fragmented delivery by more than 130 housing associations, the lack of a national housing delivery body, and poor co-ordination between the Scottish Government and local authorities. Again, we build on these ideas in the next section's priorities for government.

Third, planning systems and land value are viewed as structural barriers to delivery. Our respondents identified contemporary challenges relating to delays in NPF4 implementation, speculative land ownership, and fragmented planning powers. They also articulated several proposals, including re-establishing a national agency for housing, and several enabling reforms to the land market and planning permissions.

Fourth, and in the context of the housing emergency, the 2025 Housing Bill regarding homelessness prevention duties, and the depth of homelessness in our two largest cities, there was a clear focus on homelessness, temporary accommodation, housing support and prevention. The greatest concerns appeared to be about children in temporary accommodation, non-compliance, the lack of prevention planning, and symptomatic evidence of dysfunctional homelessness services.

Finally, respondents agreed that there was a need for the robust, transparent, and action-oriented use of housing data and evidence. Evidence is seen as necessary but not sufficient for better policy and practice and is often ignored or inconsistently applied. Respondents argued that different interests, including government, are guilty of cherry-picking of evidence, that there is inefficient duplication across 32 councils, and often weak evaluation of policy impacts. Respondents made several proposals including arguing for the nationalisation of analytical capacity to support local action (e.g. rent control areas, demand modelling and homelessness), improving the quality and transparency of key data for housing (e.g. rent data, interoperability of operational data to support planning and research locally), more extensive and intensive post-legislative scrutiny and policy evaluation, as well more systematic use of lived experience.

3.2 Five additional themes

In the interviews, five further policy areas were identified.

First, **Net Zero and housing decarbonisation.** There is consensus that net zero remains a "generational challenge" requiring: clear targets and funding for retrofits, the avoidance of tenant cost burdens, and the use of sustainable materials and innovation (e.g. modular or timber builds).

Second, the case was made for **private rented sector (PRS) reform** going beyond the current legislation. There was argued to be a need for a balanced approach that supports both tenants and responsible landlords, with clear, long-term rent control frameworks, the recognition of the PRS's role in housing urban economies, and proportional regulation that supports improved property condition standards.

Third, there was advocacy for extending and operationalising equalities and human rights into more explicit **tenure neutrality and equality policies, processes and outcomes**, seeking to level the playing field with equitable regulation, funding, and outcomes across tenures.

Fourth, interviewees expressed a desire to **unlock rural and island housing** through better access to Rural and Islands Housing funds, tailored strategies for remote areas and green freeports, 'double devolution' of Local Housing Allowances and more diverse housing typologies (e.g. microhomes, co-housing).

Fifth, there were renewed calls for **Land Reform and for Property Taxation reform** involving Land Value Taxation, Council tax revaluation and/or wider reform and a broader tax reform debate around how wealth is accumulated and distributed through housing.

3.3 Analytical lenses for interpreting the evidence

Our reflections on the interviews and their common and more widely expressed challenges and proposals, combined with our research and those of others on housing since 2021, helps shape our approach and priorities. First, it has helped us identify four (closely intertwined) meta themes that are relevant to what follows: the role of evidence, systems and systems thinking, prevention, and immediate versus long-term goals.

The role of robust evidence in housing policy development, monitoring and evaluation is a longstanding one, often caricatured as the 'expertise' debate between the use of evidence-informed policy versus the alternative of not using evidence, or simply to rationalise policy decisions with corroborative evidence. We agree that rigorous approaches to evidence are necessary but not sufficient – a point made by our interviewees. But without robust evidence, informing policy choices and rigorous analysis of their effectiveness, we take big risks with societal outcomes and scarce public funds. For us, it is the combination of investing in data and its interoperability alongside analytical capacity locally and centrally, that is what really matters.

Regarding the question of **systems and systems thinking**, taking a systems approach seriously is critical, recognising that housing, locally and centrally, is connected across tenure, and place, as well as to other key systems like the economy, health and educational outcomes. A systems perspective is essential if we are to understand how the actions of stakeholders (including different parts of government) impact on that system (i.e. key leverage points) and the ultimate efficacy of interventions. Systems thinking anticipates perturbations and second round feedback around the system and so should we. Systems thinking also has much to say about how different interests co-operate or compete in the housing system and can be applied to critical points of challenge e.g., homelessness, new supply or landlord-tenant relations. Moreover, we can develop applied ideas of what a well-functioning housing system would look like and whether we are making progress towards it (Marsh, Gibb and Earley., 2024).

Prevention and preventative spend, avoided costs and the preventative turn are now once again critical ideas at the centre of more joined up long term policy in housing and wider public policy (see also Donohoe, 2024, for promising approaches to preventative budgeting in Victoria, Australia). This early intervention or upstream work is also closely associated with the quality of cost benefit analysis, social return on investment and social impact research which could, if suitably applied, be used more in making business cases for housing investment.

Immediate versus long term goals are characteristic of the housing system and both need to be and often are traded off in different ways, usually to the detriment of the long term. The particular housing relevance is because housing can be thought of generally as a large slowly changing stock dominating relatively small flows in and out of people and homes. While some interventions may have rapid effects, many interventions will take decades or longer to fully impact, well beyond electoral cycles. Proper assessment of this temporal feature of housing and housing policy is essential. Thus, regarding how best to respond to a housing emergency we can distinguish between the shorter run or more immediate policies required to comply with the law and the long-term gradual changes required to rebalance currently acutely pressured housing systems.

4. Housing priorities for the next Scottish Government

There are several important parts of Scotland's housing story that we do not explore further here, even though they remain central to current debate and ongoing research. These build on the five additional themes in section 3.2:

- Implementation of rent controls and wider PRS regulation, including tax treatment, landlord compliance, and the future of BTR and PBSA.
- Decarbonising the housing stock across tenures and geographies, and the balance between fabric-first approaches, heating systems, and behavioural change.
- Access to homeownership, including regulation, deposit requirements, and affordability stress tests.
- Barriers and enablers to expanded private sector housebuilding, from supply chains and construction costs to planning system performance and developer behaviour.
- Tax reform beyond our focus here (covering LBTT, council tax, land-related taxation, and housing wealth inequality). For example, the UK Budget has recently proposed an English "mansion tax" on high-value homes.
- Wider issues of housing quality, asset management, and investment in older stock.

These topics are being taken forward in other work, and by a range of stakeholders in their manifestos (e.g. CIH Scotland, 2025; Homes for Scotland, 2025). Their importance is not in doubt. In this report, however, we focus on four priorities, informed by our own research and interviews. These are: resetting affordable and social supply; governance and structural reform; planning, land and infrastructure; and prevention, homelessness and housing support.

4.1 Resetting affordable and social supply

The Affordable Housing Supply Programme (AHSP) is a cornerstone of the Government's efforts to meet affordable housing need. The system has come unstuck for several reasons including the worsening external environment for building and development, but also government decisions to cut the programme budget for two years, all contributing to lessening social provider appetite for development. The programme is highly unlikely now to meet its targets and the problems facing the system are highlighted below, edited from Gibb, Young and Earley's report on rebooting the affordable supply programme for Joseph Rowntree Foundation (JRF) published in 2024.

- The delivery of social and affordable supply has been hit by successive economic blows, and more generally, this has been exacerbated by labour and materials shortages and wider supply chain problems. Welcome increases to grant benchmarks have not kept pace with the rising cost base.
- Two successive Holyrood budgets (2023-24 and 2024-25) cut capital funding, which had serious short- and medium-term ramifications for the AHSP. The cuts in 2023-24 were worth 10-16% depending on the baseline it was measured against. In 2024-25, the draft budget cuts were deeper, 26%, and spread across both social and affordable housing provision. The depth of these cuts accelerated a mid-term review of the programme by government and hastened the creation of a Scottish Housing Investment Taskforce, which reported in 2025.

- The supply programme is delivered through a series of longstanding interacting allocation mechanisms, which are in some cases controversial. The system does not effectively deliver in terms of meeting the most pressing needs in Scotland or supporting the shift towards a well-functioning housing system. Chief areas of concern included the better linking of the Local Housing Strategy to the Strategic Housing Investment Plan (SHIP) and the Housing Need and Demand Assessment (HNDA) model, the annual reallocation of underspends, the Strategic Housing Investment Framework (SHIF) formula and the Transfer of Management of Development Funding (TMDF) allocations that distribute grant through resource planning assumptions to councils.
- Case studies within the JRF research raised questions about tenure mix, project scale, declining social housing in specific areas and the tensions between additional net supply and reprovisioning existing supply. Local case study findings also identified several challenges relating to land supply, funding and other delivery issues, as well as signalling the difficulty of seeking to sustain affordable rents in the face of mounting multiple pressures on finite surplus rent income. The local analysis also exemplified the gap between the funding programme focus on numbers and meeting local need in its different forms.
- Five wider lessons were drawn from case studies: the need to change spending priorities within the programme; review and reform annual underspend reallocations to help deliver more discretion and flexibility around local delivery; sharpen up SHIP documents and make them more visible and transparent; clarify how precisely social and affordable supply contributes to the key features of a well-functioning housing system; and, that the growing appetite for larger scale multi-phase developments has to manage a series of critical risks and will not always be the most effective solution.

Looking forward, the Scottish Government Housing Emergency Action Plan has committed to another four years of funding post-election should the government be returned. However, as previously noted, the new national affordable need study indicates a 50% increase in affordable need for the coming Parliament (Marshall et al, 2025a). It is hard to see that anything other than major reform of the AHSP will deliver the step change required, which apart from meeting housing need, helps with place-making, has direct and indirect economic benefits as well as arguably other non-housing external effects through avoided costs. Box 1, drawing from the 2024 JRF report sets our short-, medium- and long-term proposals to re-energise affordable supply in Scotland.

Box 1: Re-booting the Affordable Supply Programme

Immediate and short-term responses

The Scottish Government should reprofile planned spend through benchmark increases in grant; also, by the shifting of funding at the margin into social housing by reducing the grant funded element of mid-market rent. The Government should examine extending the use of soft loans and guarantees for Mid-Market Rent (MMR) where land values support it. There should also be a general predisposition to accelerate S75 quotas and to focus them on social units. Multi-year accounting rule changes would help the process of delivering the AHSP and would help move the system away from recycling underspends and provide more cross-year certainty. The Scottish Government should continue or even expand its advocacy for change in a number of key reserved policy areas relevant to a better functioning housing system and therefore indirectly work towards the outcomes associated with the AHSP. Two principal examples are restoring the value of LHA (critical to reducing homelessness; Watts-Cobbe et al, 2024) and making the case for more government borrowing powers specific to social housing as infrastructure which pays for itself out of rental income. The main report also suggests several process reforms for the Scottish Housing Investment Programme process.

Medium term – processes and institutions

There is a need to undertake necessary analytical work to strengthen how the Affordable Supply allocation mechanism works. This involves six interlocking strands:

1. Reconstitute a more localised version of the Housing Needs and Demand Assessment (HNDA) process which links more directly to local SHIP plans so that grant funding corresponds directly to local priority needs and outcomes.

2. Establish a short life working group to conduct a review of the needs assessment underpinning the spatial allocation of resources (resource planning assumptions) embedded in the Strategic Housing Investment Framework (SHIF) and the Transfer of the Management of Development Funding (TMDF) arrangements for Glasgow and Edinburgh with a view to producing a new evidenced formula that has widespread support.

3. In addition to the work of the Scottish Housing Regulator on finance and treasury management, Scotland needs an updated sense of the financial capacity of social landlords to develop social and affordable housing - last done in 2010.

4. Undertake a transparent new analysis of, and mechanism for, renewing benchmark grant rates, along with publishing the evidence base used in the review process.

5. Develop an evidence case for AHSP public resources, i.e. an economic and social CBA of public spending on non-market housing investment (including wider prevention), as laid out by SOLACE/ ALACHO (2023).

6. Establish a new land and housing agency to focus on land assembly site readiness. After initial pump-priming, the new organisation would seek to recover costs and recycle income from selling on serviced sites with a view to secure social housing land price levels and/or utilising land value uplift on land it owns and passes on to support housing infrastructure. Such an organisation could also include as part of its mission the support of SME builders, rural land supply and innovative finance and delivery of social and affordable housing (also see priority 3, below).

Long term land market propositions

The long term focus is on land market and planning issues, but the report also proposes looking closely at revolving funds that use rental surpluses to feed a building fund for further social housing investment (as in Denmark), and also raises the possibility of negotiating for ring-fenced additional borrowing powers for the Scottish Government, viewing social housing, an infrastructure investment that pays for itself from rents and could support bond or other forms of creditor repayment. While none of the long-term land proposals are new, and some featured within the land and planning reform proposals of the last decade, we think they need to be developed and delivered effectively. This would create a different setting for social and affordable housing supply. The report suggested:

- Reform the land market to be more transparent so that information is made available to all regarding sites that are available, or potentially for sale.
- Revisit land value uplift reforms to support paying for infrastructure. See, for example, the work by Aubrey (2018) concerning lessons from New Town development corporation models.
- Revisit the case for land tax on value appreciation by dint of planning permission, to incentivise re-use of vacant land and empty properties, etc., which was part of the discussions during the 2015 Land Reform Review.
- Where appropriate, test and implement the existing but unused Compulsory Sales Orders power. Also, consider land readjustment – which would facilitate land assembly by offering landowners lower payment for sites in return for an equity stake in the development project (Adams, 2013).
- Introduce a legal requirement for public bodies to release land for social/housing at current use value to limit inter-public sector land trading at commercial prices, which is a barrier to constructing social housing.
- Place requirement on all public bodies to notify the council of surplus/redundant land and give councils the duty to maintain public register of such land and the power (not duty) to acquire such land specifically for social housing at use cost or something similar.
- Review whether and where social housing should become a standalone use category within Local Development Plans.
- Grant councils the power (or even duty) to acquire land at a value that offsets the cost of providing the infrastructure and services required for viable development.
- Potential measures should be considered to require developers to sell land if they fail to build out sites by a given date or at an agreed rate.
- Look to boost AHSP funding when it becomes clear construction costs are falling (at least in real terms).

Source: Gibb, Young and Earley (2024)

Meeting affordable need through new social and affordable supply is critical to providing settled solutions for the homeless, it augments vacancies arising in the social and affordable housing stock and it can, through investment, change places and support communities. It also has considerable human and personal impacts by providing secure, affordable safe and warm homes. This has considerable social value for Scotland and for those directly affected. Since 2013 the Scottish Government has delivered on two 5-year programmes and made a difference to many tens of thousands of households across the country. But we are now at a turning point regarding a programme to meet need, help tackle homelessness and support the core ambitions of Housing to 2040. We contend that the evidence suggests that much more needs to be done and can be done to buttress the programme, but it goes well beyond public funding, fundamentally necessary though that is for delivery.

4.2 Governance and structural reform

Scotland's Housing to 2040 strategy was launched with ambitious, long-term goals – from meeting affordable housing needs and ending homelessness to aligning housing with climate and poverty objectives (Scottish Government, 2021). These aims were widely welcomed, but from the outset the strategy lacked a detailed delivery plan, as well as clear and robust coordination and monitoring mechanisms (Gibb and James, 2021; Gibb, Young and Earley, 2024). In practice, progress has stalled due in part to external shocks (Covid, inflation), as well as internal budget cuts in 2023-24, which derailed key initiatives. By late 2025, 13 councils and the Scottish Government itself had declared a "housing emergency".

The first situation to address therefore is how to reinvigorate the national housing strategy with credible delivery structures and resources. Recent CaCHE research notes that success requires equal focus on governance (strong institutions, leadership, and accountability) as on housing policies themselves (Gibb, Young and Earley, 2024; Marsh, Pawson and Gibb, 2025). Our work for the Church of England/Nationwide Foundation argued that setting robust cross-party agreement on long term policy goals aimed at making progress towards a well-functioning housing system was critical because of the inherent dangers of letting 'business as usual' continue. Allied to this long-term vision (long term because of the stock dominating the flow and slow rate of change witnessed in the UK's inelastic housing systems), is the need for a continuing accountability mechanism, much like the Climate Change Committee, that tests whether subsequent policies align with those aims and whether indeed government is maintaining the priority of achieving such goals and do so over several electoral cycles and different parties in power.

The next Scottish Government must therefore restore momentum by establishing a clearer route-map for delivery, bolstering coordination across departments, and empowering the Housing to 2040 delivery board to drive implementation. It should also confront fiscal realities candidly by being upfront about budget constraints and setting a feasible "direction of travel" for the housing programme, rather than over-promising (Gibb, Young and Earley, 2024). Without such strategic course-correction and stronger delivery oversight, Scotland's housing goals will remain out of reach.

Second, local authorities must be further empowered to deliver. They sit at the heart of Scotland's housing system, assessing housing needs, preparing Local Housing Strategies, leading on homelessness, enabling affordable housing through the AHSP, and in some cases directly building new council homes. Effective reform must therefore strengthen local government's role and capacity in housing delivery. Our evidence indicates that public sector leadership at multiple levels is key to overcoming market failures and meeting housing needs, especially in challenging areas (James and Tolson, 2020; James, Satsangi and Lawson, 2025). Councils are well placed to understand local conditions and coordinate stakeholders; they bring local knowledge, relationships, and democratic legitimacy to housing initiatives (ibid). For example, some Scottish councils have reduced council tax discounts on empty and second homes to fund affordable housing and infrastructure (see e.g., Argyll & Bute's Strategic Housing Fund, which generates around £2 million per year this way) (Argyll and Bute Council, 2024: 24-5). Edinburgh has just announced that it will use revenue from its tourist levy to support affordable and social housing supply.

This highlights how empowering local authorities with resources can translate into tangible housing outcomes.

However, many councils face constraints in expertise and funding. Years of centrally imposed council tax caps/freezes reduced local democratic accountability, left local governments reliant on grants and limited their fiscal flexibility (Gibb and Leishman, 2025). Based on our discussion with sector leaders, there appears to be a wide recognition that the current system underfunds local services and that some councils struggle to assemble land or invest in complex projects on their own.

Going forward, the next government should enable and incentivise local government-led housing delivery, through measures like: providing technical support and pooled expertise (especially for smaller councils), encouraging regional collaboration on housing and planning, and granting councils more autonomy to raise revenue for housing (while reforming the inequities in local tax – see below). Ultimately, stronger partnerships between a national agency (see Priority 3) and local authorities, with clear delineation of roles, can combine the best of both worlds: that is, national scale and investment with local knowledge and accountability. The goal should be to put councils in a position to be effective "enablers" of housing growth, supported rather than hindered by Scotland's governance framework.

Third, reforming housing-related taxation is another structural lever critical to a well-functioning system. Scotland's two major devolved housing taxes – Council Tax (the main local property tax) and Land and Buildings Transaction Tax (LBTT) (a sales tax levied on the purchaser) – are broadly acknowledged as outdated and misaligned with housing policy objectives (Gibb and Leishman, 2025). Council Tax is regressive (households in expensive homes pay a disproportionately small share of property value in tax) and still based on property valuations from 1991, resulting in glaring inequities (ibid). It also fails to reflect ability to pay, contributing to wider wealth inequality linked to housing. Meanwhile, LBTT (akin to stamp duty) is economically damaging because, by taxing transactions, it disincentivises people from moving, thus hindering labour mobility, exacerbating under-occupation, and efficient use of the housing stock (ibid).

The Housing to 2040 strategy recognised the need to "reset" these levers to improve housing system outcomes, but until the last few months little progress has been made so far. Just in the Autumn of this year, the government announced, in part based on evidence from the Institute of Fiscal Studies (Adam et al, 2025), a consultation to revalue the Council Tax after the election. This is closely related to ongoing work in Wales but is particularly interesting because it goes beyond simple revaluation to assess some other non-trivial reforms to the tax and includes a number of transitional, deferral and rebate proposals. The great worry is that this work will not survive the election and the first programme of government.

We would wish to see the consultation go further and consider bold tax reform. Analysis by CaCHE makes the case that both Council Tax and LBTT should be abolished and replaced in the medium term with a fairer property tax system (Gibb and Leishman, 2025). Drawing on Fairer Share (2021), Muellbauer (2023) and Leunig (2024), Gibb and Leishman (2025: 43) propose a two-part annual property tax whereby one element would be a proportionate local property tax (regularly revalued and set by councils, replacing Council Tax) and the other a national tax on property value or land (to replace LBTT revenue, paid by property owners) (see Box 2 below). Gibb and Leishman depart form the other proposals referenced above in that they do not believe that only owners of property should pay the local tax component; instead, for local democratic accountability reasons, other forms of tax will be required so that tenants do not free ride – perhaps linked to rental valuation. To this end we note the treatment of social tenants within the Northern Ireland proportionate property tax which may offer some ideas.

Box 2: Evolving Gibb and Leishman's proposals for reforming property tax

1. Phase-in a proportional property tax over 3-5 years and during this transition cap the maximum annual increase in payments anyone has to face as a result of the tax change.

2. Operate a deferred payment scheme along the Muellbauer lines to help cash-poor owners.

3. Institute a regular, eventually annual general revaluation of properties – it is likely that the extra market information this provides would have wider efficiency and liquidity benefits by improving market decision-making.

4. Separately, abolish LBTT and raise the revenue by combining it with the local tax from all private owners of residential property (owner-occupiers and landlords) only. This would also need to be phased in.

5. Allow local government to set the local element of the new tax (the Scottish Government would set the rate for the element raising the LBTT foregone revenue at a national common rate of tax, with parallel arrangements for other countries within the UK).

6. The variation in property values by region, e.g. west to east Central Scotland but more broadly too, will require resource equalisation and redesign of local government grant funding to accommodate the redistribution in tax base compared with that under the Council Tax. Resource equalisation reflecting the different regional values of property should be investigated through review of the local government finance grant system, including non-domestic rates.

7. Include a green discount for high energy efficient properties.

8. Tenants would need other pay a separate local tax, perhaps based on rental values (housing consumption) rather than asset ownership. Social landlords would be exempt, as they would be for the LBTT replacement.

9. Localise non-domestic rates income to local authorities, i.e. keeping the yield of local nondomestic rate income but also including local rate setting of the tax poundage, to reduce the gearing on the local domestic tax and make councils responsible and accountable for a larger share of their income.

10. As suggested by Fairer Share, tax undeveloped land held with planning permission for housing development – in this way the reform can capture some of the benefits of land value taxation without the complexity of developing an entire new tax infrastructure.

11. Over time this will offer the policy space for the Scottish government to increase the share of its wider fiscal tax base deriving from land and property rather than (mobile and more elastic) earned income.

12. There should be thorough economic and equalities impact assessments of these proposals. Alongside this, there needs to be widespread debate, education and public discussion about the narrow and wider issues discussed here, and this should include a formal citizen's assembly to assess these ideas in the round alongside Parliamentary scrutiny.

Adapted from Gibb and Leishman (2025: 43)

This split-tax model would be initially revenue-neutral overall but far more equitable and efficient: the local portion would improve accountability by funding local services, while the national portion (essentially a modest annual levy on property value) would spread the tax burden more evenly instead of lump-sum transaction charges (Gibb and Leishman, 2025). Crucially, protections like deferred payment options for asset-rich, income-poor households and an improved council tax reduction scheme can ensure vulnerable groups are not harmed (ibid). Such reform would realign housing taxation with policy goals – reducing speculative gains (by taxing wealth stored in housing) and removing disincentives to moving, thereby helping free up under-occupied homes.

For the next Scottish Government, pursuing comprehensive property tax reform is a politically challenging but vital step. As previous commissions (e.g. Burt Review 2006, Commission on Local Tax Reform 2015) have shown, the public policy rationale for change is strong; what's needed now is the political will to act. By creating a fairer housing tax framework, Scotland can not only raise funds more sustainably for housing and local services, but also moderate housing market inequalities over the long term – a key component of a "well-functioning housing system" envisioned in Housing to 2040 (Gibb, Young and Earley, 2024).

We would challenge the lazy notion that politically this is too hard to do without electoral cost. It has been done in Northern Ireland successfully. There is plenty of international evidence about how to reform property taxes credibly (Slack and Bird 2015) stressing the importance of leadership, education, communication and offering service benefits alongside the new taxes. We also strongly suggest deliberative democracy could be a great way to show that an informed public with the space to debate these issues, can see the benefits of reform and indeed may support more hitherto dismissed as 'too radical'. On proposals to reform taxes, Gibb and Leishman report the effectiveness of a citizen panel as part of their work which came to strong pro-reform conclusions after two days of intensive work.

4.3 Planning, land and infrastructure

Scotland's planning system is under significant strain from years of under-resourcing and growing responsibilities. Local authority budgets have been cut, and planning departments lost roughly a quarter of their staff between 2009 and 2022 (RTPI, 2022) – a trend which is unlikely to have been reversed in the years since. A recent RTPI survey also found that 66% of public sector planners report lacking the capacity to meet demand. This lack of capacity slows decision-making on planning applications and local development plans (LDPs), as there are simply not enough planners to process caseloads or engage proactively with communities. The preparation of new LDPs, crucial for implementing the National Planning Framework 4 (NPF4) policies locally, is facing delays partly due to these staffing and skills shortages. Without immediate investment to rebuild planning teams and modernise systems, Scotland risks falling further behind on housing delivery and infrastructure goals.

First, therefore, the next government must address NPF4 implementation challenges. The adoption of NPF4 in 2023 marked an ambitious shift, putting climate, nature and place-making at the centre of planning. Like Housing to 2040, its bold policies (from 20-minute neighbourhoods to enhanced biodiversity and affordable housing requirements) have been widely praised for their vision. However, more than two years since its adoption, there is an evident gap between NPF4's ambition and delivery on the ground. Local authorities are in a transition period where many existing LDPs pre-date NPF4 and are therefore out-of-date, creating some uncertainty in decision-making due to a lack of clarity on how to interpret some policies and confusion over how strictly some policies (such as those on flooding or housing density) should be applied, which hinders implementation. The rollout of NPF4 compliant local plans has been slow, in part because planning teams lack capacity to rewrite plans quickly.

To bridge the gap between ambition and delivery, the next government should strengthen NPF4's implementation through clearer guidance, active monitoring, and flexibility where needed.

The current government has started issuing supplementary guidance, for instance on land audits and masterplan consent areas, alongside letters from the Chief Planner clarifying policies (e.g. on the housing emergency and Policy 16 on quality homes), but more could be done to improve clarity and to better resource local authority planning departments (see e.g., RTPI, 2025).

Second, we need to tackle land market barriers. Even with a better-resourced planning system and clearer policy, land supply issues pose fundamental challenges to housing delivery. The current land market in Scotland often works against the public interest in housing. Key problems include fragmented ownership, speculative landholding, stalled sites, and limited public-sector intervention to assemble land for development (James, Satsangi and Lawson, 2025). This makes it difficult to coordinate larger developments or infrastructure projects. In other cases, concentrated ownership can be an issue, where large estates or investors hold onto land (or vacant buildings) and bank it long-term, which can lead to derelict sites sitting unused. There are currently over 8,800 hectares of vacant or derelict land in Scotland, much of it in or around communities that need regeneration and housing. (Scottish Government, 2025)

The Scottish Land Commission has advocated a Public Interest Led Development approach, learning from abroad, where the public sector takes on assembling and preparing land for housing (Satsangi et al., 2020; Scottish Land Commission, 2021). This was also the case in Scotland under Scottish Homes/Communities Scotland. Notably, many of the stakeholders we spoke to for our research for the Scottish Land Commission in 2025 supported establishing a new national Housing Land Agency to drive this agenda (James, Satsangi and Lawson, 2025). Such an agency could proactively acquire land (at existing value), masterplan and service it with infrastructure, and then release "shovel-ready" plots to housebuilders or community developers. A developer purchasing these plots would pay a price reflecting the ready-to-build status, allowing a portion of the land value uplift to be captured, generating a surplus that the agency could then reinvest in affordable housing or infrastructure in less viable areas (LRRG, 2014; RICS 2016; Scottish Land Commission, 2021).

It is however worth noting that there is a lack of clarity about what is meant by such an agency. In fact, it seems quite likely that different people support it without necessarily being specific about what their vision or chosen model would be. Further research is therefore needed to determine what such an agency's powers, spatial coverage, funding and business model might look like. In our work for the Land Commission, we started to spell out the advantages and disadvantages of prospective models at different spatial scales (see Table 2 below). CaCHE will take these proposals forward in new research for Shelter Scotland, which will report in the first half of 2026.

Table 2: Housing land delivery agency models

Form	Advantages	Disadvantages
National	Bargaining power as a national agency. Enables effective pooling and cross-subsidy. Economies of scale.	Centralisation and remoteness from local contexts, so possible information deficits and questions over accountability.
Regional	Bargaining power (though less than national). Some economies of scale. Better sense of local markets than a national body. Effectiveness of pooling and cross-subsidy depends on health and trajectory of constituent land markets.	How are the regions built to have meaning, identity and contiguity with existing boundaries? Possibly difficult to avoid 'rich' and 'poor' regions.
Local	Awareness of local context so good information base. Local accountability.	Limited bargaining power. High degree of variation in capacity to deliver at present. Some local agencies are very likely to struggle to raise surpluses, and therefore will make greater call on public subsidy, leading to perceived unfairness. Funding vulnerability.

Source: James, Satsangi and Lawson (2025: 74)

Our stakeholder interviews also suggest that the next government should empower local authorities with new land assembly tools. Streamlined Compulsory Purchase Order (CPO) processes are part of this (with clear government backing that CPOs are legitimate to use in the public interest). Compulsory Sales Orders (CSOs), recommended by the Land Reform Review Group in 2014, would also let councils force the sale of sites that have been vacant or derelict for an undue period via public auction (LRRG, 2014). This could help to unlock stalled sites by transferring them from owners who cannot or will not act to those ready to develop, without the authority needing to buy and finance land itself. The Scottish Government is currently consulting on changes to CPOs and the introduction of CSOs. We would urge the next government to continue this work and to consider piloting or implementing CSOs, targeting long-term derelict land and empty buildings that blight communities.

Other measures, which also came up during our interviews both for this report and for the Land Commission report, include exploring tax incentives or levies to discourage land speculation and "land banking" (e.g. taxing vacant land or granting relief to landowners who promptly develop or sell land for housing) (James, Satsangi and Lawson, 2025). The recent Land Reform Bill, now awaiting royal assent, introduced measures for splitting up large landholdings and enhanced community rights, but ongoing land reforms are almost certainly needed (see Box 1 for more).

Finally, even if planning permission and land supply are in hand, housing delivery can stall without the right infrastructure in the right place at the right time. Too often there is a lag between development and infrastructure i.e. new housing sites struggle to go ahead because of a lack of road capacity, drainage, schools or public transport, or some homes get built but amenities follow years later. Previous CaCHE research has emphasised the importance of an "infrastructure first" approach, where infrastructure is planned and funded up front to enable housing (James and Tolson, 2020). The Government's Housing Infrastructure Fund (HIF), launched in 2016 and renewed in 2021, has been a positive step in this direction. Case studies, in both rural and urban areas, show the impact that an infrastructure-first approach can have. For example, large-scale housing developments at North Staneyhill in Shetland and Dunbeg in Argyll and Bute, benefited from forward funding of new access roads and utilities (including support from HIF), without which these sites would have been unviable (James, Satsangi and Lawson, 2025). Similarly, in cases of urban brownfield regeneration like the Commonwealth Games village in Glasgow and Dargavel in Bishopton, forward funding of infrastructure was key to unlocking development potential and reducing risk for developers (James and Tolson, 2020).

At a national level, NPF4 explicitly promotes infrastructure-first planning, and it identifies strategic infrastructure needs. The challenge, as with all aspect of NPF4, is ensuring delivery on the ground. The next Scottish Government should therefore consider adopting an infrastructure-first investment programme for housing, coordinating transport, utilities, and public services. This means aligning capital budgets so that, for instance, a new housing site gets the school and road upgrades it needs when homes are being built, and not years later. It also means working closely with utilities companies and other agencies (e.g. Scottish Water) to plan capacity for growth areas (James, Satsangi and Lawson, 2025).

4.4 Prevention, homelessness and housing support

Our research on housing support in Scotland (Marshall, 2025; McCall, 2022; McCall and Gibb, 2023; McCall, Gibb and Wang, 2025; Wang, Gibb and McCall, 2022) suggests that funding and delivery are fragile, that the consequential positive impact such services produce– i.e. keeping people living independently, integrating with other services, avoiding considerable costs to the public sector and improving service user wellbeing, are split across funding sources and institutions, regularly threatened by cuts, and rarely visible in substantive housing debates. Our evidence indicates that housing support makes major monetised net benefits as well as acting as glue to make other housing, care and health services work more effectively.

One area for which housing support remains critically important is in wrap around services to provide often vital components of packages that combine to solve homelessness both in terms of sustaining tenancies but also addressing complex needs. Homelessness and precarity are at the source of most of the housing emergencies that have been called and is the starkest failure of our housing policies and practice.

There is much excellent research, practice and experience to be found in Scotland from local authorities, housing providers, academics, charities and umbrella bodies like Homelessness Network Scotland. The I-Sphere Crisis homelessness monitor for Scotland (Watts-Cobbe et al, 2024) is a great resource for everyone seeking to understand what is going on. At the same time, the Centre for Homelessness Impact (CHI) provides a wide-ranging detailed understanding of the evidence about what works across the UK but with considerable expertise in Scotland. In fact, CaCHE has been working with them and Indigo House to advise and support the City of Edinburgh Council over its homelessness service and the housing emergency action plan. CaCHE has also recently reviewed the unique Simon Community Access Hub in Glasgow. Other work is underway including with the Royal Foundation's Homewards initiative, also relating to economic and financial assessment within a wider evaluation of social housing investment regarding follow-on housing, and is part of a trial on the impact of health outreach workers within the wider MHCLG test and learn programme run by CHI.

All of this research should, we hope, be published in the first half of 2026. However, it has helped us to draw together some ideas and insights regarding how the next government might support councils on the ground to achieve outcomes that will reduce the historically high numbers of homeless people entering and staying for long periods on live caseloads across the country.

Homelessness can be clearly understood as a stocks and flows problem, often characterised as a bathtub mental model. If the contents of the bath are the active case load in each place, the inflows are new cases and the outflows are the solution pathways for the people exiting the system. This suggests that the homelessness problem can be broken down into three main elements and two sets of objectives.

First, ways need to be found to reduce the inflow over time, which is essentially about efficient prevention. We stress efficiency here because while it is ambitious and positive to extend in the new legislation out to six months in terms of the period before people may lose their homes – there needs to be a sufficiently functioning system at local authority level to produce the tangible benefits that this could deliver.

Second, how do we provide sufficient suitable temporary accommodation where it is needed and have exit routes, so that, once homelessness services succeed in reducing the number of units required through successful prevention outcomes , it could be possible to flip such homes into long term housing for people in the system.

Third, finding long term or settled solutions is clearly the core desired outcome. This is about new social and affordable housing supply, allocations, void management but also considering other pathways beyond social housing. There must be careful long term system level thinking about how to best facilitate the levels of vacancies and particularly new supply that will service the area's homelessness needs over time.

Ways forward

What might be done to facilitate progress with these three aspects of the system currently operating under such strain in many council areas across Scotland? We note here that many of the suggestions below are not our own ideas but the product of fruitful discussions with many people who have been involved in our research in recent years, such as the Centre for Homelessness Impact, to whom we are very grateful. It is also worth stressing that homelessness is a system and requires systemic analysis, recognising that interventions operate across a connected system and that levers applied impact in other parts of the system and vice versa. This is particularly important at the level of the local authority since they have real opportunity to apply place-based interventions across different, albeit connected sectors, such as health and social care, the third sector and others.

Recent events around the housing emergency have also generated considerable acrimony around at least two specific areas. The first concerns the protection and extension of Scotland's much lauded legal ights for homeless people. There is concern expressed by many that the pressure in the current system expressed by several councils being non-compliant with their duties regarding suitable temporary accommodation and housing sourced within 7 days, will lead to calls to dilute or suspend rights in different ways. This is happening at a time when the new legislation will extend homelessness prevention duties. Starting from the premise that there should be no diminution of legal ights, there is a need to prioritise what needs to be done to achieve compliance through reduced inflow and more pathways out of homelessness. This will require greater partnership and co-design of interventions by Scottish and local government and realisation there must be trade-offs and some things not done because compliance must be prioritised. This also means partnership with the third sector and other providers and exhorting UK Government to make progress in key areas e.g. unfreezing the 2011 Local Housing Allowance cap for temporary accommodation across Britain. This will all need leadership and, probably, unwelcome sacrifice. Shortly after the election, a national summit, an action plan commitment and a delivery unit would all be very welcome.

The second contentious area concerns the refugees with leave-to-remain group. Growth in leave-to-remain demand has created a polarising debate. This has been exploited politically, impacted on community cohesion, and has been exacerbated by concern with UK-level actions and announcements on immigration, as most recently expressed by the Home Office's enthusiasm for Danish immigration policy. This is a wider problem than homelessness, but it needs a positive counter, confidently expressed. This would seek to break the link between homelessness and the asylum system i.e. addressing that the asylum system generates homelessness as a predictable outcome putting pressure on statutory services, is anti-racist and should not lead to mainstream policy sleepwalking into extreme positions that weaken everyone's legal rights. This also requires leadership, and the clear communication and protection of the facts. But it also requires, as part of the wider homelessness challenge, delivering the benefits of concerted efforts across the system to reduce pressure on homeless services and thereby provide more choice over settled solutions for all homeless clients. This is another area where tensions exist between UK and Scottish governments and the impacts of UK decisions, for example in the Home Office, must be fully understood by Whitehall in terms of impacts on devolved policy areas in Scotland.

How can we progress homelessness prevention?

- Understand and invest in successful examples on existing local prevention work – e.g. the Edinburgh private renting team have been effective in uncovering households at risk in the PRS and sustaining tenancies or finding alternative positive outcomes.
- Invest in analytical and data capacity to better understand local case pathways – what is causing people and specific personas to become homeless and hence what would be the best preventative interventions to support people at risk?
- Learn from and adapt the important preventative budgeting work (including homelessness prevention) being progressed in Victoria, Australia (Donahoe, 2024). Councils should actively consider preventative budget approaches which will surface the wider avoided costs associated with homelessness.
- Follow-up live cases with regular interviews and include follow on meetings after the case is closed and the household is in settled accommodation.
- Follow-up live cases with regular interviews and include follow on meetings after the case is closed and the household is in settled accommodation.

Temporary accommodation

TA is a vital intermediary step for those who are found to be unintentionally homeless. Ideally, it would offer short stay accommodation on the way to settled housing pathways, and its necessity would be reduced by effective prevention slowing the inflow. It is also not brief – many stay in the temporary system for months and sometimes for years. This is in part because of the lack of pathways out – something we return to below. However, settled accommodation need is such that there is often a shortage of available TA options that provide suitable accommodation. This is the other big challenge – many of the options for TA are eye-wateringly expensive and this is not just true of bed and breakfast. For value for money reasons as well as good housing reasons, the stock of TA needs to be sufficient in scale and turnover to meet need but in a way much less reliant on exotic solutions like B&B or short-term lets.

Private sector leasing, often run by a third sector charity, can offer a positive model with comparatively good value for money outcomes, if there is a good contract and division of risks and responsibilities between the parties (landlord, PSL agent and council). Clearly the object is to have a much smaller requirement for TA in due course and there may be scope for separate leasing models to facilitate moving vacant units out of the TA leasing into settled leasing solutions (discussed further below).

A further initiative we would like to see expanded across Scotland is the notion of the one stop multi-actor service hub for the homeless or at risk of homeless, developing the role played in Glasgow by the Simon Community Access Hub. The Glasgow hub accommodates more than 30 services including case workers, medical and legal supports, and which enables staff to join up services and supports in a more relaxed and trusting environment. There is much to learn from the Glasgow model, lessons that would surely apply elsewhere in Scotland.

Settled accommodation pathways

Pathways out of homelessness traditionally require vacant social housing allocated to homeless cases either on a voluntary council-wide arrangement or through more formal routes. Alternatively, social landlords build new social homes, and these are made available to those in the most need, often those who are homeless. Housing First is also an important potential provider of long-term accommodation and support.

This is where the affordable supply programme and its downturn, and the long-term expectations of future grant-funded supply are critical. It does seem likely that other pathways will be required especially where turnover rates are low and with a slow pipeline of new supply increasingly common. Novel additional routes would include follow-on housing funded through social investment in partnership with the third sector and housing associations, buy back through acquisitions from the private rented sector, and a settled accommodation private renting leasing pathway. The latter is not popular in Scotland but has shown promise in England. However, as the Centre for Homelessness Impact has noted, it does require additional input from discretionary housing payments, deposit schemes and help with first month rent payments. The use of DHP in Scotland to defray the cost of the spare room subsidy may limit its effectiveness here but again we face a choice of removing or limiting one of two evils and this invidious choice may look different in specific places across Scotland.

In summary

- There should be a fundamental review of housing support in Scotland designed to simplify, amplify and underpin the roles it plays in the contemporary housing, health and care systems, recognising its growing demographic, the preventative benefits and savings both to wider society and service users and their families. It cannot continue in its fragmented and too often financially fragile format.
- The Housing Emergency in general and levels of non-compliance in particular require fundamental action in concert between Scottish government, local government and vital third sector providers. If the legal ights available are to be meaningful they must be protected and action taken to prioritising interventions and mechanisms to reduce inflows and increase outflows from the homelessness system.
- Homelessness is not just about housing, but housing always plays a part in it as a problem and in terms of possible solutions. We have mainly focused on the short term and the compliance issue within the context of the Housing Emergency, but there is also in many parts of the country as long term structural problem of dysfunctional housing systems wherein demand is well beyond supply, where long lists of people wait for social or affordable housing, where private rents are unaffordable and where housing supply is stubbornly unresponsive. All that fuels homelessness even if the wider causes commence elsewhere. Considered, consistent long-term work to adjust local housing systems to a more balanced and stable model are essential to tackling the housing dimensions that make homelessness worse.

5. Key takeaways

We are at a pivotal point for Scottish housing and homelessness. How do we respond to the Housing Emergency and combine complementary short-run and long-term actions? The first thing to say is that contemporary housing is a long way from the well-functioning housing system described at the beginning of this paper. We need to move forward systematically towards the objectives associated with each of the 18 cells described in Table 1. To do that we need to be aware of the meta-themes that sit behind our priorities.

Housing is a **system** where stocks dominate flows, change takes time, and system trajectory is exposed to external economic, social and political shocks. This is why consistency and seeing policies through are so important, as is the need to monitor, oversee and provide corrective action to stay on track. We also need to embrace the systems thinking of leverage points, systems mapping and multiple stakeholder relations – to anticipate feedback, design better interventions and to co-design policy and practice change.

There remains a strong **preventative** case to make about the social return and the avoided costs associated with preventative housing investment and services spend. Housing, housing support and homelessness are precisely the areas where the preventative turn can make material gains and change lives for the better.

Rigorous **evidence** about the housing system, behaviour in that system, policy appraisal and evaluation – all must play a part. This is also about investing in capacity and data to assist in the delivery of housing, its management and the best interventions for people.

We also need to distinguish **immediate policy** and proactive action to tackle the most urgent problems such as homelessness non-compliance, but at the same time recognise the need to pursue **long-term policies** that will move local housing systems on to a more balanced trajectory that is consistent with those stock and flow constraints on outcomes. We need to see action in the present to overcome today's difficulties alongside longer horizon consistent application of policies to make housing systems work better.

This is not easy and goes against electoral cycles, party politics and competition for scarce public resources in government. But housing is also infrastructure and needs to be conceived of in that long term frame. Resources are tight but there are still political choices regarding where spending is to be prioritised. Housing and homelessness should be high on the agenda, especially now. Use the evidence that already exists to make this case.

What are the key takeaways from the priorities for the new Government and Parliament? There is clearly a lot of cross-over between our areas of focus. We think there remains strong justification for the Affordable Housing Supply Programme (i.e. the evidence about housing needs growth and the need for more address urgent need for settled pathways for people within the homelessness system) to be re-designed and supported. We distinguished short, medium and long-term proposals, many of which speak to other priorities in our evidence case (e.g. land and planning reform, a new housing agency and the Housing Investment Taskforce financing agenda).

Our second priority area is governance and structural reform. Here, we would encourage the next government to strengthen the Housing to 2040 strategy by clarifying delivery roles, resourcing the delivery board, coordinating across departments, and prioritising investment realistically within budget constraints. We have also highlighted the need to support local councils with greater autonomy, technical expertise, and revenue-raising powers to act as effective housing enablers, especially in areas facing market failure or resource limitations. Drawing on an extensive body of evidence, we have argued for replacing Council Tax and LBTT with a two-part annual property tax that is progressive, regularly revalued, and aligned with policy goals, while safeguarding vulnerable households.

The third priority we looked at concerned land, planning and infrastructure. Here we would focus on the following four points. First, the new government should prioritise investment aimed at increasing local planning capacity (staff and skills), modernising planning systems, and streamlining procedures. A well-resourced planning system will speed up decisions and local plan preparation, enabling housing delivery. Second, there should be clear updated guidance on NPF4 policies accompanied by mechanisms for monitoring their impact. The government should support local authorities in preparing NPF4-aligned LDPs and, in the process, be prepared to adjust and clarify policies (e.g. on housing numbers, climate and nature obligations) to ensure ambitions are deliverable. Third, the new government should also explore options for setting up a new national Housing Land Agency and equipping councils with new or stronger land assembly powers. And fourth, consider expanding mechanisms like the Housing Infrastructure Fund to unlock sites that are stalled by infrastructure costs.

The fourth priority is related to different aspects of homelessness, at the centre of the housing emergency. It is often said that developing inclusive deep reviews or commissions is just a way of putting off decisions. But such is the urgency in terms of understanding and then fixing the housing support realm of activities, that this is to us completely necessary and should be a short-life programme about simplifying delivery and funding and making the whole support eco-system properly understood, visible and adequately resourced and planned for.

We also argued that homelessness services need to be supported to achieve the outcomes we really want: prevention reducing the inflow in to the system; adequate, cost-effective temporary accommodation and investment in social, affordable and exploration of other pathways such as private renting offer, which appear to work well, for instance, in pressured parts of England. Homelessness is another system wherein we can expect the pressures operating in Edinburgh and Glasgow presently to only ease when we combine prevention of inflow with more settled accommodation pathways reducing the numbers and duration of TA stays. This requires more evidence, capacity, and analysis by individual councils, but it also needs more help from the Scottish and UK governments if this core part of the emergency is to be achieved.

References

Adam, S. et. al. (2025) Revaluation and Reform of Council Tax in Scotland: Design Consideration and Potential Impacts. People, Communities and Place Social Research, Scottish Government.

Adams, D. (2013) The potential for urban land reform in Scotland. In: AESOP-ACSP Joint Congress, 15-19 July 2013, Dublin, Ireland.

Argyll and Bute Council (2024) Strategic Housing Investment Plan 2025/26-2029/30.

Aubrey. T. (2018). Gathering the windfall: how changing land law can unlock England's housing supply potential. Centre for Progressive Policy.

Burt, P. (chair) (2006) A Fairer Way: Report by the Local Government Finance Committee. Edinburgh.

Commission on Local Tax Reform (2015) Just Change – Final Report. CLTR: Edinburgh.

CIH Scotland (2025) Manifesto for housing 2026: Our future starts at home. Chartered Institute of Housing (Scotland). https://www.cih.org/publications/cih-scotland-manifesto-for-housing-2026/

Donohoe, M (2024) Victoria Ministry of Treasury & Finance: Early Intervention Investment Framework, and lessons for bottom-up wellbeing analysis for budgets. Presentation to OECD Wellbeing Forum, November, Rome.

Earley, A., Marsh, A., and Gibb, K. (2025). The policy and politics of improving standards in the English private rented sector. Political Quarterly, (doi: 10.1111/1467-923X.13572), Early Online Publication.

Fairer Share (2021) Fairer Share Manifesto. https://fairershare.org.uk

Gibb, K. and James, G. (2021). Housing in Scotland: Evidence for Scottish Government 2021-26. CaCHE, Glasgow.

Gibb, K. and Leishman, C. (2025). Sustainable Housing Policy in Scotland: Reforming Devolved Property Taxation. CaCHE, Glasgow.

Gibb, K., Young, G. and Earley, A. (2024). Sustainable Housing Policy in Scotland: Re-Booting the Affordable Housing Supply Programme. CaCHE, Glasgow.

Homes for Scotland (2025) Scottish Parliament Manifesto 2026.

James, G., Satsangi, M., and Lawson, V. (2025). Land supply for housing in rural Scotland. Scottish Land Commission.

James, G. and Tolson, S. (2020). Delivering more homes and better places: Lessons from policy and practice in Scotland. CaCHE, Glasgow.

Leunig, T (2024) A Fairer Property Tax: A Practical Alternative to Reform Stamp Duty and the Council Tax. Onward: London.

LRRG (2014). The Land of Scotland and the Common Good. Report of the Land Reform Review Group.

Maclennan, D., and Fleming, J. (2025) Prosperity begins at home: disruptions to improve Scotland's housing system. David Hume Institute: Edinburgh.

Marsh, A., Gibb, K., and Earley, A. (2024) Homes for All – A Vision for England's Housing System. Church of England/Nationwide Foundation.

Marsh, A., Gibb, K., Christie, L., and Earley, A. (2025) The Value of Housing – Building a Stable Foundation: How Homes Drive Health, Opportunity, Prosperity and Equality. Nationwide Foundation/CaCHE: Glasgow.

Marsh, A., Pawson, H., and Gibb, K. (2025) National Housing Strategy: A comprehensive analysis of the key components of preparing, designing and implementing an effective housing strategy. Nationwide Foundation, Homes for All and CaCHE.

Marshall, M., Watkins, C., Keskin, B., Dunning, R., and Ferrari, E. (2025a) Affordable Housing Need in Scotland Post-2026. Scottish Federation of Housing Associations, Shelter Scotland, and the Chartered Institute of Housing (Scotland).

Marshall, M., Williams, R., McCall, V., Gibb, K., and Harkin, F. (2025b) Delivery and funding of housing support in Scotland – assessing costs and benefits of typical services. CaCHE: Glasgow.

McCall, V. (2022) Adapting the adaptations process: tackling the variers within policy and practice. CaCHE: Glasgow.

McCall, V. and Gibb, K. (2023) The economic and social benefits of housing support. CaCHE: Glasgow.

McCall, V., Gibb, K. and Wang, Y. (2025), "The "fight" for adaptations: exploring the drivers and barriers to implementing home and environment modifications that support healthy ageing", International Journal of Building Pathology and Adaptation, Vol. 43, Issue 2, pages 159 – 176.

Muellbauer, J. (2023) Why we need a green land value tax and how to design it. NET Oxford Working Paper No.2023-12.

O'Sullivan, A et al (2024) Local Housing Systems Analysis: Good Practice Guide. Communities Scotland: Edinburgh.

RICS (2016) Scotland Manifesto 2016: Shaping Scotland's Housing Future – Property in Politics.

RTPI (2022) Resourcing the Planning Service: Key Trends and Findings 2022. RTPI Scotland research briefing. https://www.rtpi.org.uk/new-from-the-rtpi/resourcing-the-planning-service-key-trends-and-findings-2022/

RTPI (2025) Scotland Planifesto. https://www.rtpi.org.uk/find-my-rtpi/rtpi-nations/rtpi-scotland/rtpi-scotland-planifesto/

Satsangi, M., Hoolachan, A., O'Brien, P., Dembski, S., Dunning, R., and Lord, A. (2020). Housing land allocation, assembly and delivery: Lessons from Europe. Scottish Land Commission.

Scottish Empty Homes Partnership (2024) Scottish Empty Homes Partnership Annual Report 2024-25. https://emptyhomespartnership.scot/publications/

Scottish Government (2025). Quarterly Housing Statistics – June 2025. Available at: https://www.gov.scot/publications/quarterly-housing-statistics-june-2025/documents/

Scottish Government (2025) Housing Investment Taskforce. Report. Scottish Government: Edinburgh.

Scottish Government (2021) Housing to 2040 https://www.gov.scot/publications/housing-2040-2/documents/

Scottish Government (2025) Scottish Vacant and Derelict Land Survey https://www.gov.scot/publications/the-scottish-vacant-and-derelict-land-survey-site-register/

Scottish Land Commission (2021). Land for Housing: Towards a Public Interest Led Approach to Development. Scottish Land Commission.

Slack, E. and Bird, R.M. (2015). How to Reform Property Tax: Lessons from Around the World. IMFG Papers 21, University of Toronto, Institute on Municipal Finance and Governance.

SOLACE/ALACHO (2023) Housing in Scotland: Current Context and Preparing for the Future. Solace Scotland.

Wang, Y., Gibb, K. and McCall, V. (2022) Evidence review of home adaption in the UK and other OECD countries. CaCHE: Glasgow.

Watts-Cobbe, B., Bramley, G., McMordie, M., Pawson, H., Young, G., and Fitzpatrick, S. (2024) The homelessness monitor: Scotland 2024. Crisis, Edinburgh.

Appendix 1: Interview Questions

1. Provide a sense of whether and to what extent housing policy and housing outcomes have progressed or regressed during 2021-26? What, for you, are the key issues arising from the last 5 years?

2. Looking forward, what would your organisation's housing priorities be for the next Parliament and Government?

3. How important is robust evidence about policy and practice in housing in Scotland? Where should efforts to deepen evidence be focused; why?

4. While housing is ostensibly devolved, important drivers and functions are either reserved or are led by UK-level regulatory bodies. What needs to change at the UK level to improve housing processes and outcomes? Do we need to devolve housing powers within Scotland e.g. to local government? If so, which powers and why?

5. If you were to do some blue sky thinking what more radical or visionary housing policy ideas would you like to see injected into the housing policy debate? Why?

6. From the other end of the telescope, what are the key governance changes in Scottish housing policy that you would like to see change to lead to better outcomes (prompt: implementation gaps, capacity, resource allocation, temporal consistency, cross-party agreement, accountability, etc.)? Why?

7. Is there anything else that we have not picked up that you would like to raise or highlight?